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FM AMEMBASSY MANILA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0423
RUEAIIA/CIA WASHDC
INFO RUEHRC/USDA FAS WASHDC 1256
RUEAUSA/DEPT OF HHS WASHDC
RUEHPH/CDC ATLANTA GA
RUEHC/DEPT OF INTERIOR WASHDC
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RUEHZS/ASEAN COLLECTIVE
RUEHKO/AMEMBASSY TOKYO 2605
RUEHBJ/AMEMBASSY BEIJING 5692
RUEHBY/AMEMBASSY CANBERRA 9304
RUEHHK/AMCONSUL HONG KONG 4294
RUEHUL/AMEMBASSY SEOUL 2260
RUEHPB/AMEMBASSY PORT MORESBY 0797
RUEHWL/AMEMBASSY WELLINGTON 3315

UNCLAS SECTION 01 OF 03 MANILA 001567

SIPDIS

SENSITIVE

SIPDIS

STATE FOR UNDER SECRETARY PDOBRIANSKY
STATE FOR OES/IHA FOR JKAUFMANN, DSINGER AND RDALEY
STATE FOR INR/EAP FOR JSTROTZ
STATE PASS USDA/FAS/ICD FOR ROSENBLUM
STATE PASS USDA/FAS/DL&P FOR MAGINNIS
STATE PASS USDA/FAS/ITP/AA FOR ALEXANDER
STATE PASS USDA/FAS/FAA FOR HAGER
STATE PASS USDA/APHIS/IS FOR HOFFMAN
STATE PASS USDA/APHIS/VS FOR DUVERNOY
STATE PASS USDA/ARS/SEPRL FOR SUAREZ
STATE PASS USAID FOR DCARROLL AND ACLEMENTS
BANGKOK FOR REO JAMES WALLER
CIA FOR NATIONAL INTELLIGENCE COUNCIL NIO/EA

E.O. 12958: N/A
TAGS: TBIO SENV EAGR EAID PREL RP
SUBJECT: CRITICAL LACK OF RESOURCES FOR AI PREPAREDNESS

REF: A) 2006 STATE 023826
     B) 2005 STATE 209622
     C) 2006 MANILA 860
     D) 2005 MANILA 5291
     E) 2005 MANILA 5059
     F) 2005 MANILA 4278
     G) 2005 MANILA 5393

MANILA 00001567 001.2 OF 003

SENSITIVE BUT UNCLASSIFIED, PROTECT ACCORDINGLY

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Summary
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¶1. (SBU) The Philippines continues to maintain its official status as free of H5N1 Avian Influenza (AI). However the country is regarded as being at "high risk" considering the epidemic in the region and migratory birds, which transit the Philippines to and from affected countries. Post is concerned about the government's ability to detect AI; surveillance systems remain inadequate. An AI outbreak would be both economically and politically damaging to U.S. interests in a stable Philippines and harmful to U.S. business interests. Post, therefore recommends that the Department designate the RP as a high priority country for resource support. End summary.

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Situation Assessment
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¶2. (SBU) The discussion below is in response to Reftel A.
All in-country USG support to preventing the entry and
spread of Avian Influenza in the country is coordinated
through the Mission-wide Task Force chaired by USAID, with
COM oversight. USG support to in-country preparedness
efforts is also coordinated with other donors including the
ADB, WB, UN and other bilaterals (Reftel C).

¶3. (SBU) The GRP has developed a respectable bird flu
preparedness plan, but lacks the resource capacity and
organizational structure to implement the plan's
initiatives. Post is concerned with the GRP's resources to
diagnose AI, based on our discussions with GRP
counterparts and various assessment teams who have analyzed
the GRP's surveillance system. The GRP appears similarly
unprepared to control an outbreak of AI should it
occur. The government needs to improve monitoring and
supervision in the field as well as standard operating
procedures for testing and containment.
¶4. (SBU) There is great potential of infection throughout
the RP among animals and humans based on multiple risk
factors:
--numerous flocks of migratory birds from affected countries
in the region passing through the RP each year;

--the abundance of backyard farming operations housing
chickens, fighting cocks, ducks, turkeys and pigs in the
same area without necessary bio-security measures in place;

--widespread live-bird markets contributing to smuggling of
exotic birds from Indonesia and other AI infected countries

into the Philippines and,
--low public awareness of AI precautionary measures making
detection and containment more challenging.
In addition there is a negative incentive for AI detection
based on potential macro-economic and political fallout as
well as the impact on small farmers. For instance, the GRP
does not offer compensation programs (such as chick
replacement) that would encourage farmers to come forward
with sick birds.
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Potential Economic Impact
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¶5. (SBU) An AI outbreak would be damaging to the RP
economy and to U.S. business interests in country. The
$2.7 billion RP poultry industry supplies the domestic
economy with the majority of its poultry product and
employs 300,000 workers. An AI contamination would drive
up the price of substitutes such as pork and fish and place
an increased burden on impoverished families. Local corn
producers would be impacted, notably in Mindanao where 60%
of the RP's corn is grown, because corn is the primary
feedstock for chickens. Demand for U.S. exports such as
feed products representing $14 million and poultry products
representing $11 million would decline as well. Quarantine
areas could further disrupt transport of U.S. products. If
human-to-human transmission were to develop, the RP's $2.3
billion tourism industry would suffer as well. There is a
significant population of 130,000 American citizens
residing in the RP, and a like number of American Citizen
tourists at any given time, who would face a potential
health crisis in the case of a pandemic.
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Potential Political Impact
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¶6. (SBU) Political stability in the RP has been anchored,
to some extent, by steady economic growth in recent years
and inflation that has been kept in check. An AI outbreak

and its resultant economic hardships could further erode
confidence in the Arroyo administration, especially if the
situation were not managed effectively.

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USG Response
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¶7. (SBU) Of the $334 million in USG pledges for FY05 and
FY06 toward AI support activities worldwide, we understand
that the RP has so far received a modest budget for AI
projects based on the assumption that the country is flu
free. USAID Philippines has a budget of $680,000 for AI
projects for FY05 and FY06, a portion of which has already
been spent on its recent AI assessment team mission.
¶8. (SBU) AI will likely appear in the RP at some point.
Outbreaks have been detected in neighboring countries
and throughout Southeast Asia. Post asserts that the GRP
needs more assistance, not less, because current
surveillance systems are unlikely to identify an outbreak
before a substantial population of birds and / or humans
contract the virus. We note that the current surveillance
system, if operating as intended, would provide a 95%

MANILA 00001567 003.2 OF 003

confidence level for detecting AI but only under the
assumption that the infection rate had reached 20%. Under
current circumstances, an AI incident would most probably
be detected by some other means, not the formal
surveillance system.
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Post Recommendations
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¶9. (SBU) Post priorities to support in-country
preparedness efforts are as follows:
--support to strengthening surveillance and in-country
diagnostic capacity;
--assistance to developing local level preparedness
capability including simulations for outbreak response;
--support to developing an early warning system for
reporting unusual poultry deaths in the rural areas; and
--facilitating public-private alliances and their
contribution to indemnification funds.
¶10. (SBU) Additional resources are critically needed
to protect the Philippines from entry and spread of Avian
and pandemic influenza.
KENNEY